



Construction Contractors:



PUBLICATION
F625-040-000 [05/2005]

Get the facts, get registered

Are you a general or specialty contractor performing construction or remodeling work for others?



In Washington State, you must register with the Department of Labor and Industries (L&I).

A general contractor can perform or supervise numerous building trades or crafts. A specialty contractor can perform no more than two unrelated building trades or crafts.

You must register if you undertake, offer to undertake, or submit a bid to do any of the following work for someone else. This includes everything from painting, to landscaping, to installing floor coverings and windows.

- Construct
- Alter
- Repair
- Add to or subtract from real property
- Improve, move, wreck or demolish

Before you register

- 1** Make sure you have a **unified business identifier (UBI)**, also known as a master business license for state tax purposes. The departments of Licensing, Revenue, Employment Security, and Labor and Industries can issue a UBI when you complete a master business application.
- 2** Unless you are a sole proprietor with no employees, you must have an **Employer Identification Number (EIN)** for federal tax purposes. To obtain an EIN, contact the Internal Revenue Service or use the IRS online EIN application: https://sa.www4.irs.gov/sa_vign/newFormSS4.do or download <http://www.irs.gov/pub/irs-pdf/fss4.pdf>.

- 3** Obtain a **\$12,000 bond (general contractor) or a \$6,000 bond (specialty contractor)**. You must file the original bond with L&I by the filing date.

The alternative to a bond is an **assigned bank account**. You may post the required amount in the form of cash, a certificate of deposit, time deposit or money market account in a bank, savings and loan, or credit union within Washington State.

- 4** Obtain **general liability insurance coverage**: \$50,000 property damage and \$200,000 public liability or \$250,000 combined single limit.

How to register



Complete the *Application for Contractor Registration* and have the signatures notarized. (We provide notary service in our offices.) Be sure to thoroughly read and complete the application.

Where to get the application:

- Apply online at www.LNI.wa.gov/TradesLicensing/LicensingReq/Contractors/, or
- Print the application at www.LNI.wa.gov/forms/pdf/625001af.pdf, or
- Request an application from a local L&I office. (See telephone numbers on Page 4.) Ask for form F625-001-000.

Mail the application and required documents with your registration (or renewal) fee to L&I or bring them to a local L&I office. If you are a Washington State corporation or becoming one, you must submit a copy of your completed incorporation application to L&I with your registration materials.

More information is available from the Department of Labor and Industries.

Web site: www.Contractors.LNI.wa.gov. Toll-free telephone: 1-800-647-0982.

Important facts

- Your registration is valid for two years from the date you register or renew.
- Your registration will be suspended if your bond or insurance is cancelled or becomes impaired.
- The penalty for working without a valid registration is \$1,000 per work site, per day for a first offense.
- Before starting a job, you are required to provide a disclosure statement to the consumer/property owner. This is required for residential projects with a projected cost of \$1,000 or more, and for commercial projects of \$1,000 to \$60,000. A model disclosure statement is available online at www.LNI.wa.gov/forms/pdf/625030af.pdf or from your local L&I office.

Questions construction contractors often ask

Q: Do I need to take any special classes or tests before I register?

No. Coursework and tests are not required to become a general or specialty contractor at this time. (The electrical and plumbing trades do have additional requirements.)

Q: My company is very small. Why do I need the same bond amount as a large company?

The \$12,000 bond amount applies to all general contractors and the \$6,000 bond amount applies to all specialty contractors, regardless of the size of the business. The type of work is the same.

Q: Do I need a new registration if I change the name of my company?

Yes. You need to submit a bond rider or new bond and insurance documents reflecting the new business name, and pay the registration fee.

You also must re-register any time the structure of the business or ownership changes.

Q: Can my spouse or child take over my business and registration?

Your spouse may. If your child takes over the business, we consider that a new business and your child must apply for a new registration.

Hiring employees or subcontractors?

You must meet additional requirements if you hire employees or subcontractors.

Safety requirements

If you have subcontractors or employees, you must keep your job site free from recognized hazards that are likely to cause injury or death. Know the occupational safety and health rules that apply to your workplace.

For information on safety rules, visit our web site at SafetyRules.LNI.wa.gov. To learn about no-fee work site safety consultations, visit www.SafetyConsultants.LNI.wa.gov or call us.



Workers' compensation (industrial insurance) coverage

As an employer, you are required to have workers' compensation coverage on any employee working for your company. In addition, you could be responsible for unpaid premiums **IF**:

- By legal definition, the people you hire are your employees, not independent contractors. See *A Guide to Hiring Independent Contractors in Washington State* (publication F101-063-000).
- Your subcontractor does not pay the workers' compensation premiums he or she owes. You can take steps to protect yourself from potential liability. Review *Liability for Your Subcontractor's Unpaid Workers' Comp Premiums* (publication F622-262-000).

Did you know? Employers can purchase optional industrial insurance coverage for themselves. For more information, call 360-902-4817.

You can check workers' compensation premium status online at www.LNI.wa.gov/TradesLicensing/Contractors/HireCon/CRUA/.

Required posters

Posters are free at www.LNI.wa.gov/IPUB/101-054-000.asp or from a local L&I office.

- Job Safety and Health Protection (F416-081-909)
- Notice to Employees (F242-191-909)
- Your Rights as a Worker (F700-074-000)

In addition, we also recommend you post a copy of the Washington Minimum Wage poster (F700-102-909). All posters are available in Spanish.



Use your contractor registration number

By law, when you advertise, solicit bids or offer to perform work, you must always include your contractor registration number on your business cards, yellow page ads, newspaper ads, estimates and bid proposals.



Other useful web sites and resources

Prevailing Wage. Understand the requirements for paying prevailing wage on public works projects: www.LNI.wa.gov/TradesLicensing/PrevailingWage/.

Workers' basic workplace rights. Covers minimum wage, meal and rest breaks and overtime requirements: www.Wages.LNI.wa.gov

Work restrictions for teens under age 18. Certain jobs, many in construction, cannot be performed by minors: www.Teenworkers.LNI.wa.gov

Employment Security Department

Web site: <http://fortress.wa.gov/esd/portal/businesses>

Toll-free telephone: 1-877-872-5627

Department of Revenue

Web site: <http://dor.wa.gov/content/home>

Toll-free telephone: 1-800-647-7706

Department of Licensing

Web site: <http://www.dol.wa.gov>

Telephone: 360-664-1400

Secretary of State

Web site: <http://www.secstate.wa.gov>

Telephone: 360-902-4151



Labor and Industries service locations

Aberdeen: 360-533-8200

Bellevue: 425-990-1400

Bellingham: 360-647-7300

Bremerton: 360-415-4000

Colville: 509-684-7417

East Wenatchee: 509-886-6500

Everett: 425-290-1300

Kennewick: 509-735-0100

Longview: 360-575-6900

Moses Lake: 509-764-6900

Mt. Vernon: 360-416-3000

Okanogan: 509-826-7345

Port Angeles: 360-417-2700

Pullman: 509-334-5296

Seattle: 206-515-2800

Spokane: 509-324-2600

Tacoma: 253-596-3800

Tukwila: 206-835-1000

Tumwater: 360-902-5799

Vancouver: 360-896-2300

Walla Walla: 509-527-4437

Yakima: 509-454-3700

Contractor Information at L&I

Toll-free:
1-800-647-0982

Web site:
www.Contractors.LNI.wa.gov

To obtain a copy of the law covering contractor registration, RCW 18.27, go to www.LNI.wa.gov and click on "Find a Law or Rule" or give us a call.
